

## Message Text

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17

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AF-08 EA-07 EUR-12 NEA-10 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 FEA-01 XMB-02 OPIC-03 AGRE-00 /129 W

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R 282030Z SEP 76

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 8391

CONFIDENTIAL SANTO DOMINGO 4737

E.O. 11652: GDS

TAGS: EAGR, ETRD, DR

SUBJECT: GROWING NEGATIVE EFFECT OF TRIPLED SUGAR TARIFF

REF: SANTO DOMINGO 4646 AND 4688

1. REFTELS HAVE DESCRIBED SOME OF THE LOCAL NEGATIVE REACTION TO THE U.S. DECISION TO TRIPLE THE SUGAR IMPORT DUTIES. WE SHOULD REPORT THAT, IN ADDITION, THE U.S. ACTION HAS CAST GLOOM OVER THE USUALLY CHEERFUL DOMINICAN BUSINESS COMMUNITY. UNCERTAINTY OVER FUTURE BUSINESS CLIMATE HAS CAUSED A NUMBER OF ENTREPRENEURS TO BECOME VERY CAUTIOUS UNTIL THE FULL IMPORT AND IMPACT OF THE U.S. ACTION BECOMES CLEAR.

2. OUR PALACE SOURCES INFORM US THAT PRESIDENT BALAGUER IS QUITE CONCERNED OVER THE U.S. DECISION. HE SEES THAT A NUMBER OF COUNTRIES ARE SELLING SUGAR TO THE U.S. WITHOUT PAYING DUTY BECAUSE THEIR SALES ARE LESS THAN DOLLARS TWENTY-FIVE MILLION (AT TODAY'S PRICES, THAT'S A LOT OF SUGAR); HE SEES THAT A NUMBER OF OTHER COUNTRIES HAVE MADE LONG-TERM CONTRACTS TO SUPPLY THE U.S. SUGAR MARKET; AND HE SEES HIMSELF BEGINNING TO BECOME ISOLATED AND DISCRIMINATED AGAINST, ALTHOUGH HE HAS

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BEEN A RELIABLE SUGAR SUPPLIER IN THE PAST. THIS DEPRESSED MOOD COMBINED WITH A SITUATION OF LOW SUGAR PRICES, HIGH

PETROLEUM PRICES WITH PROSPECTS OF AN INCREASE, SERIOUS  
ELECTRICITY SHORTAGES ADVERSELY AFFECTING FACTORY PRODUCTION  
WHILE PRODUCING ONLY FRAYED NERVES AMONG THE INCONVENIENCED  
MIDDLE AND UPPER CLASSES ARE BEING CLOSELY WATCHED BY THE  
MODERATE POLITICAL OPPOSITION, THE MILITARY AND THE EXTREME  
LEFT.

3. COMMENT: IN FRAGILE SOCIETIES, SUCH AS THE DOMINICAN,  
IT DOESN'T TAKE MUCH TO CHANGE POLITICAL TRANQUILITY  
AND A BUOYANT BUSINESS OUTLOOK INTO ATTITUDES LESS FRIENDLY  
TO OUR INTERESTS.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CUSTOMS DUTIES, SUGAR, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** blochd0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976SANTO04737  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760366-1070  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 SANTO DOMINGO 4646  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** blochd0  
**Review Comment:** n/a  
**Review Content Flags:**  
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**Review Transfer Date:**  
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**Secure:** OPEN  
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**Subject:** GROWING NEGATIVE EFFECT OF TRIPLED SUGAR TARIFF  
**TAGS:** EAGR, ETRD, DR, US  
**To:** STATE  
**Type:** TE  
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